

## KEY TASK STRATEGY WORKSHEETS FORMAT

Several key tasks for the MRMIP, the AIM Program, the HFP and the County HFP Buy In have been identified from the task listed in Exhibit A of the Model Contract. The selected tasks are repeated below along with, in some cases, a specific exercise related to that task. For each of these key tasks or related exercise, thoroughly describe your understanding of the problem and outline your approach to assisting the State in solving it. Explain which information sources available to your organization and which professional staff can be utilized on the problem tasks and finally, estimate the number, level of professional service hours and cost based on the hourly rates submitted for the first year that will be needed for each task.

### Major Risk Medical Insurance Program (MRMIP)/Guaranteed Issue Program (GIP) Tasks

- A. This exercise is to describe your understanding of the problem and outline your approach to assisting the State on Exhibit A Item II.A.2, the MRMIP/GIP enrollment estimate:

#### Item II. A. 2.

“Assist the State in comparing actual cost experience with current estimates in order to establish enrollment limits. This is normally done twice in the State Fiscal Year, in the fall at the November Board Meeting and spring at the May Board Meeting. Assist the State in determining revenue needs under statutory reform of MRMIP and GIP. The Contractor shall:

- a. Use a cost projection model to evaluate expected costs for program enrollees.
- b. Identify areas of uncertainty related to cost projections.
- c. Review results of cost projections at least twice a year, or more frequently when required by the State. Identify new factors and trends impacting the development of cost estimates.
- d. Determine the capacity for enrollment in MRMIP in conjunction with enrollment in the GIP Pilot Project and estimated GIP claims costs, within the set appropriations of the current program.
- e. Estimate the costs and determine the amount of insurance carrier assessments needed to fund a program with no capped enrollment, if the planned program overhaul takes place.

- f. Review the adequacy of current reserve levels.”
- B. This exercise is to describe your understanding of the problem and outline your approach to assisting the State for analyzing the policy initiative and potential legislation on income means testing and small group market and risk pool reform. For Exhibit A, Item II.A.5.a., provide your approach for determining what mechanisms could result in more affordable coverage and the impact on total program costs. For Exhibit A, Item II.A.5.e., provide your approach for determining how an assessment funded risk pool can assure sufficient revenue to cover pool costs.

Item II. A. 5.

“Advise the Board on policy initiatives impacting the MRMIP and GIP programs and potential legislation impacting these programs and the individual market. The Contractor shall:

- a. Assess the desirability of, and alternate approaches for, income means testing for MRMIP subscriber contribution requirements.
- e. Analyze the fiscal impact and insurance market access impact of legislative proposals for individual market and small group reform and for alternative methods of covering medically uninsurable persons”.

Access for Infants and Mothers (AIM) Program Task

- C. This exercise is to describe your understanding of the problem and outline your approach to assisting the State on Exhibit A Item II.B.1, AIM Rate development:

Item II. B. 1.

“Assist the State in the ongoing evaluation of AIM Program rates for the annual contract amendment process and a potential full procurement starting in the winter of 2006. The Contractor shall:

- a. Review compiled data on average cost differences for differing population groups and benefit packages, with a focus on families with incomes between 200% and 300% of the Federal Poverty Level.
- b. Identify risk factors that should be considered in developing rates, using available data from California and other states.
- c. Use the Contractor’s internal data sources to compare with State estimates of utilization rates for specific services.
- d. Identify medical conditions that may result in higher or lower than average costs.

- e. Maintain and improve the State's model calculating program costs by risk level and mix of enrollees.

#### Healthy Families Program (HFP) Program Tasks

- D. This exercise is to describe your understanding of the problem and outline your approach to assisting the State on Exhibit A, Item II.C.1, HFP Rate Negotiations:

##### Item II. C. 1.

"Advise the State on HFP Rate negotiations. The Contractor shall:

- a. Assist the State in analyzing the rate development worksheets submitted by plans and used during the negotiation process to support the capitation rates, including but not limited to determining the sufficiency of premiums bid by plans in the HFP.
- b. Analyze rates submitted by plans for their reasonableness in light of health industry trends and other pertinent factors.
- c. Advise the State on rate negotiation strategy, including the methodology for determining rates that give the best value to the State".

- E. This exercise is to describe your understanding of the problem and outline your approach to assisting the State on Exhibit A, Item II.C.6, HFP quality issues:

##### Item II. C. 6.

"Provide the State with assistance and advice on HFP quality issues The Contractor shall:

- a. Assist the State in developing program evaluation model options and providing access to benchmark data available on quality customer service.
- b. Advise the State on strategies to improve evaluation of quality issues during the contract selection process and annual rate negotiation renewals.
- c. Advise the State on the use of encounter data and the collection of other health services information in assessing health care utilization".

- F. This exercise is to describe your understanding of the problem and outline your approach to assisting the State on Exhibit A, Item II.D.2,, County HFP Buy In implementation. The exercise should include a focus on rate development for differing geographic areas and the potential use of the California Children's Services (CCS) Program:

## Item II. D. 2.

“Advice the State on the implementation of the County HFP Buy-In, under which counties with local children’s health insurance programs could buy into the State’s contracted eligibility and enrollment capacity and the State’s network of HFP health, dental and vision plans. This shall include advising the State on methods for dealing with program risk and the reasonableness, for both the State and the counties, of project cost estimates”.

Cost Estimate

For each of the six tasks listed above, estimate the number of hours by professional service level and hourly rate. Use the first year hourly rates included as part of your bid. To this, add the cost of any overhead not included in the hourly rates, and the cost of any subcontractors being proposed to assist in completing the tasks. For example:

Partner at \$\_\_\_\_\_ Per hour x \_\_\_\_\_ hours = \$\_\_\_\_\_

Associate at \$\_\_\_\_\_ Per Hour x \_\_\_\_\_ Hours = \$ \_\_\_\_\_

Administrative Support Staff at \$\_\_\_\_\_ Per Hour x \_\_\_\_\_  
Hours = \$\_\_\_\_\_

Administrative Overhead not included in Hourly Rate = \$\_\_\_\_\_

Cost of each subcontractor for this task = \$\_\_\_\_\_

Total estimated cost of completing task. \$\_\_\_\_\_